

EXHIBIT 7

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ENGINEERING / TESTING

MANUFACTURING

H.E. SERVICES • 225 E. MORLEY DR. • SAGINAW, MI 48601 • (989) 753-9015 • FAX: (989) 753-7203

Oct. 25, 2001

Ex-Cell-O Corporation
Werkzeugmaschinen
Sondermaschinen
Attn. Mr. Kieffer and Mr. Schnaidt

Ref. Ex-Cell-O Grinding Machine XG 690 P. O. 21249 dated 12-14-99

Gentleman,

We refer to your letter / telex dated Oct. 25 2001. We are in agreement with the payment conditions as stated in this letter and as shown below:

70%, i.e. US \$432,698 at the time when machine is ready for shipment per shipping documents.
20%, i.e. US \$123,628 120 days after shipping date and safe arrival of machine in Saginaw, Mi.
10%, i.e. US \$61,814 after final acceptance under terms and conditions of the original P.O.

In regard to the 20% payment, H.E. Services will, without any deductions, make payment of the full amount of \$123,628 (US Dollars) 120 days after shipping date and upon safe arrival of machine at our plant in Saginaw, Michigan.

In regard to the training requirement we refer to H. E. Services letter dated Sept. 25, 2001 and Ex-Cell-O reply letter dated Sept. 27, 2001 stating agreement on training requirement.

We look forward to your early reply and final acceptance of this agreement.

Regards,

Joseph A. Stearns

Joseph A. Stearns
VP Engineering and Manufacturing

